REMARKS

Claims 1 - 9 are currently pending in the application. Accordingly, claims 1 - 9 are presented for reconsideration and further examination in view of the following remarks.

In the outstanding Office Action, the oath was objected to as being informal; the abstract was objected to as exceeding 150 words; and claims 1 - 9 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,570,080 to Hasegawa et al. in view of U.S. Patent No. 6,442,285 to Rhoads et al.

By this Response the abstract has been amended, however, no claims have been amended.

The prior art rejection is traversed. Arguments in support thereof are provided.

It is further respectfully submitted that the within amendments introduce no new matter within the meaning of 35 U.S.C. §132.

Objection to the Oath

The Examiner objected to the oath as being informal because it lacks authentication by a diplomatic or consular officer of the United States.

In response, it is respectfully submitted that the document filed by Applicant as required by 37 C.F.R. 1.63 and under 37 C.F.R. 1.51(b)(2) as part of the instant application is a declaration, not an oath.

Further, 37 C.F.R. 1.68 provides that a declaration may be used in lieu of an oath if the declarant, in this case, the inventor, warned that willful false statements...are punishable...(18 U.S.C. 1001) and may jeopardize the validity of the application...

Applicant respectfully submits that the document filed with this application is a declaration and titled as such, and that the requirements of 37 C.F.R. §§ 1.68, 1.63, and 1.51 have been met.

Therefore, Applicant respectfully requests withdrawal of the objection to the "declaration."

Objection to the Abstract

The Examiner objected to the abstract as exceeding 150 words.

In response, Applicant amends the abstract to be within the required range of 50 to 100 words.

Therefore, Applicant respectfully requests withdrawal of the objection to the abstract.

Rejection under 35 U.S.C. § 103(a)

The Examiner rejected claims 1 - 9 as being unpatentable over Hasegawa et al. in view of Rhoads et al.

In response, Applicant respectfully traverses the rejections.

To establish a *prima facie* case of obviousness, the Examiner must establish: (1) that some suggestion or motivation to modify the references exists; (2) a reasonable expectation of success; and (3) that the prior art references teach or suggest all the claim limitations. <u>Amgen</u>, <u>Inc. v. Chugai Pharm. Co.</u>, 18 USPQ2d 1016, 1023 (Fed. Cir. 1991); <u>In re Fine</u>, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988); <u>In re Wilson</u>, 165 USPQ 494, 496 (C.C.P.A. 1970).

It is respectfully submitted that the combination of references fails to teach or suggest all the claim limitations as set forth in independent claim 1.

The feature of independent claim 1 of the present invention resides particularly in the wherein clause that recites i) ... contents provider manages a number of downloads of the contents to the subscriber...; ii) ... the subscriber returns the playback right of the distributed contents back to said contents provider...; iii) ... portable terminal player erases a key for playing back the contents and a file name... at the same time...

The feature of independent claim 2 of the present invention resides particularly in the wherein clause that recites i) ...contents provider manages a number of check-outs of the contents to the subscriber...; ii) ...the subscriber checks in the distributed contents; iii) ...portable terminal player erases a key for playing back the contents and a file name...at the same time, returns the playback right to the area...

The feature of independent claim 3 of the present invention resides particularly in the wherein clause that recites i) ...the subscriber <u>migrates ripped contents</u> to the contents server...; ii) contents provider manages <u>a distribution of the migrated contents</u> to the subscriber...

The feature of independent claim 4 of the present invention resides particularly in the wherein clause that recites i) ...contents distributor manages <u>contents</u> distribution from said distribution contents...; ii) ...the subscriber <u>checks in the distributed contents</u> to said contents distributor...; iii) portable terminal player erases a key for playing back the contents and a file name and, at the same time, <u>returns the playback right</u> to the area...

Application No. 09/891,393 Art Unit 2157 Attorney Docket No. 24689

Reply to Office Action mailed December 6, 2004

The feature of independent claim 6 of the present invention resides particularly in the wherein clause that recites i) ...the subscriber <u>directly transmits</u> the contents to the user contents server...or <u>migrates</u> the contents that have been recorded...; ii) ...general server manages <u>contents</u>

distribution from said user contents server...

The feature of independent claim 7 of the present invention resides particularly in the wherein clause that recites i) ...the playback right for playing back the contents recorded...is returned...; ii) a key for playing back the contents and a file recorded on the recording medium are

erased.

The feature of independent claim 8 of the present invention resides particularly in the wherein clause that recites i) ...the distribution is managed according to a number of times the contents are distributed...; ii) ...a registration of a playback <u>right returned</u> from said portable terminal player to said user information database...

The feature of independent claim 9 of the present invention resides particularly in the wherein clause that recites i) a distribution of the contents to a portable terminal player of the subscriber...; ii) a saving of user's migrated contents to said contents server as well as a distribution of the user's migrated contents back to said portable terminal player...

Hasegawa et al. discloses a method and system for supplying contents via a communication

network. A server 1 and a user terminal 2 communicate with each other via a network 3. See Figure

1. Sample contents are created (transmitted) and received. See Figure 3. Namely, at step S6 of FIG.

3, some of the data of individual files, having undergone watermark embedding and data

compression operations at step S2 are selectively extracted as sample data from which sample

Page 6

Application No. 09/891,393 Art Unit 2157 Attorney Docket No. 24689 Reply to Office Action mailed December 6, 2004

contents are to be created. See column 7, paragraph beginning on line 49. Then, at step S8 of FIG. 3,

extracted data of the individual files, having been encrypted at step S7, are stored, as sample

contents, into a sample content database 6 of the server 1 in association with the ID of the music

piece. See column 8, lines 9-20.

Further, Hasegawa et al. notes the importance of purchasing given (for-sale) contents at a

lower price than normal price on condition that the purchased contents are reproduced a certain

predetermined number of times. Specifically, by selecting one of a plurality of selling prices, a user

can acquire for-sale contents with <u>number-of-production</u> limiting information corresponding to the

selected price. Then, the user can reproduce the for-sale contents the number of times indicated by

the number-of production limiting information. See column 13, line 40 to column 14, line 11.

However, Hasegawa et al. fails to disclose the features of independent claims 1, 4, and 8 as

discussed above in i) and ii); independent claim 2 as discussed above in i) and iii); independent

claims 3, 6, and 9 as discussed above in ii); and independent claim 7 as discussed above in i). Not

only does the portion of the cited reference specified by the Examiner, namely column 7, lines 28-

36, fail to disclose these features of the independent claims, but all other portions fail to teach or

suggest these features as well.

Instead, Hasegawa et al. merely teaches that if a simple unauthorized copy of the contents

sold to the user is found, the authorized purchaser (user) can be accurately identified by determining

the presence of unique additional information attached only to the legally purchased contents, and

also effectively protect the content supplier and copyright holder etc. from a flood of unauthorized

copies. See column 3, lines 4-53.

Page 7

Application No. 09/891,393 Art Unit 2157 Attorney Docket No. 24689 Reply to Office Action mailed December 6, 2004

The Examiner states that Hasegawa et al. fails to disclose "that the terminal is owned by the subscriber, and which erases a key for playing back the contents." See page 4 of the Office Action.

The Examiner cites Rhoads et al. in an attempt to cure the deficiencies of Hasegawa et al.

Rhoads et al. teaches a controlling operation of a device using a re-configurable watermark detector. The Examiner stated that Rhoads et al. teaches the features regarding the terminal being owned by the subscriber and erasing a key in Figure 1. Applicant respectfully disagrees.

The portions of Rhoads et al. indicated by the Examiner merely teach a predetermined location being the user's own computer, use restrictions such as "do not copy," "copy once only,"..., etc., and encoding bits in the original music. These portions of the reference bear no relation to the feature: "the portable terminal player erases a key for playing back the contents and a file name thereof."

In view of the above, Applicant respectfully requests the Examiner to indicate in greater detail portions of the cited references where the above features i) - iii) are taught or suggested. Applicant has therefore scheduled a telephone interview with the Examiner on March 7, 2005 to discuss the references.

Specifically, claim 2 recites substantially replacing the download and the returning of the playback right in claim 1 with the check-out of the SDMI and the check-in of the SDMI, respectively. Claims 3 - 6, 8 and 9 also recite the feature regarding the SDMI.

Indeed the acronym SDMI appears in Rhoads et al., but the reference does not teach or suggest the features recited in the wherein clause of claim 2.

Application No. 09/891,393
Art Unit 2157
Attorney Docket No. 24689
Reply to Office Action mailed December 6, 2004

Therefore, the combination of references fails to teach or suggest all of the claim limitations of the present invention as recited in claims 1 - 9. It is therefore respectively requested that the rejection of claims 1 - 9 under 35 USC § 103(a) be withdrawn.

Applicant respectfully submits that the claims as presently presented patentably define over the cited references taken alone or in combination.

CONCLUSION

In light of the foregoing, Applicant submits that the application is now in condition for allowance. If the Examiner believes the application is not in condition for allowance, Applicant respectfully requests that the Examiner contact the undersigned attorney if it is believed that such contact will expedite the prosecution of the application. Favorable action with an early allowance of the claims is earnestly solicited.

Respectfully submitted,

NATH & ASSOCIATES PLLC

March _______, 2005

NATH & ASSOCIATES PLLC 1030 15th Street, N.W. 6th Floor

Washington, D.C. 20005 Tel: (202) 775-8383 Fax: (202) 775-8396 Gary M. Nath/ Reg. No. 26,965

Gregory B. Kang Reg. No. 45,273

Teresa M. Arroyo

Reg. No. 50,015

Customer No. 20529